



An important announcement about healthcare benefits for Medicare-eligible Brookhaven Science Associates retirees, participants receiving BSA Long Term Disability Plan benefits, and eligible dependents:

Dear <first name> <last name>

We are writing to let you know about upcoming changes to your current healthcare benefits provided through Brookhaven Science Associates (BSA). BSA strives to provide quality healthcare benefits at affordable rates for our participants. The last few years have been challenging for both BSA and participants due to increasing medical plan costs. For medical plan participants, contributions have increased each year since 2012.

Through extensive research of the significant changes in the Medicare marketplace, BSA has found that many individual insurance plans can provide more affordable coverage than the group health coverage BSA is able to offer. Such individual insurance plans enable participants to have more options for premiums and coverage while stabilizing costs for BSA.

BSA remains committed to offering quality, affordable healthcare coverage for participants, including sharing the costs of your coverage.

What's Changing

In order to take advantage of these new options, beginning January 1, 2015, we will be moving medical plan coverage to a private exchange where participants will be able to elect individual healthcare plans. This private exchange is different from the public exchanges related to national healthcare reform. You will have an opportunity to select from plans with various levels of coverage, including comparable or better coverage than BSA's current plans, as well as the potential for lower monthly premiums, based on the plan you elect. Each Medicare-eligible family member may elect the plan that best meets their needs. You do not need to elect the same plan.

BSA has partnered with SelectQuote Benefit Solutions, a private healthcare exchange, to assist participants in selecting the healthcare plan for medical and prescription drug coverage that is best aligned with your needs for both coverage and cost. SelectQuote will provide you with unbiased price and coverage comparisons on Medicare plans from multiple A-rated insurance carriers through their private Medicare exchange (SelectQuote Senior). This exchange offers Medicare Supplement, Medicare Advantage, and Medicare Part D Prescription Drug Plans.

With the transition to the private exchange, the current medical plans (CIGNA PPO and HIP VIP HMO) for Medicare-eligible participants will no longer be available. This affects retirees, participants receiving BSA Long Term Disability Plan benefits, and eligible dependents. This change does not affect BSA medical plan participants who are not eligible for Medicare.



Enrolling In A Plan

We are announcing this change now to ensure you have ample time to review information regarding your choices and make an informed decision about individual plans. A SelectQuote Senior representative (who is a dedicated, licensed agent) will help you compare your options, answer your questions, and enroll you in the plan you decide works best for you. You will need to elect new coverage that works with Original Medicare (Parts A and B) before January 1, 2015. There is no fee to you for this service provided by SelectQuote.

SelectQuote representatives will soon begin calling participants to review available options and schedule an enrollment appointment. Scheduling an appointment time ensures that a SelectQuote representative is available to help you find the most affordable plan that meets your needs. You may wish to have a family member or friend present to assist you on the phone.

Paying For Your Benefits

Your payment process will change. Currently, you send a payment to P&A Group for your BSA medical plan coverage. The process through the exchange is different. You will pay your premiums directly to the insurance company with which you have enrolled for coverage for 2015. BSA will make a monthly contribution of \$170 per Medicare-eligible participant to a Health Reimbursement Account (HRA) set up on your behalf. For example, if you and your spouse are both eligible for Medicare, the monthly HRA contribution will be $\$170 \times 2 = \340 . This amount will be put into a joint HRA that will be set up for you to share beginning January 1, 2015. Once both you and your spouse have elected individual coverage, the HRA will be available for reimbursement of eligible premiums and expenses up to the amount available in the HRA.

You will receive instructions on how to set up your HRA account, how to submit claims, and all other specific details regarding the HRA in late November.

Participants Not Currently Affected By This Change

This change does not affect individuals who are in the following categories on January 1, 2015:

- ◆ Medical plan participants who are not eligible for Medicare.
- ◆ Former non-IBEW employees who were approved for BSA Long Term Disability (LTD) Plan benefits before January 1, 2009, and who are still receiving such benefits.
- ◆ Former IBEW employees who were approved for BSA Long Term Disability (LTD) Plan benefits before January 1, 2012, and who are still receiving such benefits.
- ◆ Medical plan participants who live outside the United States.

If your situation changes and these categories no longer apply to you, and you are Medicare-eligible as well as eligible for retiree medical benefits, this new arrangement with SelectQuote Senior will apply.

Here's What You Need To Do

Your current coverage will end on December 31, 2014. To get started transitioning to your new plan, take the following steps:

NOW: Read the Health Matters workbook enclosed with this letter. It will provide you with information on your health insurance options.

NOW: Visit **www.bsa.sqbenefits.com** to learn more about SelectQuote Senior and the services available to you. This site provides information and tools to help you navigate your Medicare insurance options.

SEPTEMBER/OCTOBER: You may call SelectQuote at **1-866-479-8317** (Monday – Friday, 7 a.m. – 7 p.m. and Saturday 10 a.m. – 3 p.m. Eastern Time) to talk with a SelectQuote representative regarding an appointment or to answer any questions you may have.

A SelectQuote Representative will soon be calling you to review available options and schedule an enrollment appointment.

OCTOBER: Attend a meeting. You are invited to attend an orientation meeting to learn more about the healthcare coverage transition, Medicare, and answer any questions you may have. See details below.

NOVEMBER: You will receive a packet of information about your HRA account. You will be able to create your reimbursement account and submit claims beginning January 1, 2015.

JANUARY 1, 2015: New coverage begins through SelectQuote Senior.

Refer to your HRA information packet, create your reimbursement account, and begin submitting claims.

Brookhaven Science Associates Meetings

To assist you in the upcoming transition, we are providing informational meetings to help you better understand the changes, answer questions you may have, and explain how SelectQuote will assist you.

Location:

Brookhaven National Laboratory, Berkner Auditorium

Attend one of three sessions:

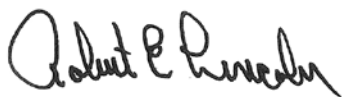
- ◆ October 6, 9:30 – 11:30 a.m.
- ◆ October 6, 1 – 3 p.m.
- ◆ October 7, 9:30 – 11:30 a.m.

Please bring your copy of the Health Matters workbook to the meeting. If you are unable to attend a meeting in person, a video of the Berkner Auditorium presentation will be posted online for you to view at your convenience at **www.bsa.sqbenefits.com**.

We are committed to giving you the information and resources you need to make the right decisions for you and your family during this transition.

For additional information about this transition please contact the BSA Benefits Office at 1-631-344-2877, 1-631-344-2881 or 1-631-344-5126.

Sincerely,



Robert Lincoln
Chief Human Resources Officer



Denise J. DiMeglio
Manager, Benefits

BSA reserves the right to amend or terminate the benefit programs at any time and for any reason.